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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

SECOND COUNTRY PROGRAMME FOR ANGUILLA

Programme period	Resources	$
1992-1996	Net IPF	1 266 000
	Estimated cost-sharing	200 000
	Total	1 466 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. The island of Anguilla, with an area of 35 square miles and a population of 7,500, has been able to establish an "insiders" reputation as an exclusive tourist resort. As a result of the expansion in tourism and its multiplier effect on other sectors, the economy has recorded growth rates of 10 per cent and above since 1985 and unemployment has been lowered from 27 per cent in 1984 to 1.1 per cent in 1989.

2. Tourism, which accounts for 32 per cent of the gross domestic product (GDP), attracts an up-market wealthy clientele and the sector has been able to rely on a relatively "recession-proof" demand which makes it less exposed to the fluctuations of the international cyclical demand pattern. Construction, and tourism-related infrastructure improvements, is the second most important sector, contributing 19 per cent to the GDP. The agricultural sector, including once dominant fisheries, accounts for only 7 per cent of GDP. Vegetable production has, however, risen sharply over the past two years and locally produced commodities now attract substantial demand, despite the fact that prices are higher than imported frozen substitutes.

3. Activities in these three major productive sectors have placed both significant and conflicting demands on the island's environment. Construction taking place, without the benefit of a longer-term strategy, could easily undermine the future income-earning potential of the tourism sector by affecting the island's unspoiled nature. Tourism developments are also threatening to limit the utilization of land for agricultural purposes, affecting the country's efforts to meet domestic demand through local production.

4. In economic terms, the unemployment rate of 1.1 per cent (0.6 and 2.1 per cent for male and female labour force, respectively) is viewed as a satisfactory full-employment situation. The country's education system is not capable of supplying many of the skills required for the management of an open, tourism-oriented economy. As a result, Anguillians have had to resort to training facilities elsewhere in the Caribbean, North America and the United Kingdom.

5. The scarcity of skilled national personnel is particularly evident in the area of economic management. Public sector management capabilities have come under increased pressure in recent years. Although salaries and allowances have risen by about 200 per cent since 1984, and the number of posts has increased by 34 per cent since 1985, the civil service structure is still characterized by the existence of a small cadre of high-level officers and a paucity of middle managers and experienced support staff.

B. National development objectives and strategies

6. The main development objectives established by the country's Executive Council are as follows:

(a) Improved management of the economy through more efficient performance of, and delivery of services by, the public sector;

(b) Strategic development of human resources through reform of education and training systems; and

(c) Development of integrated policies for physical infrastructural improvements and preservation of the natural environment.

7. Efforts will be intensified to increase the public sector's capacity to provide policy guidance, investment incentives and social services at a level appropriate to support the island's private sector. Completion and adoption of a proposed five-year national development plan for the period 1991-1995 is considered essential for enhancing the Government's ability to set strategic-level sectoral and intrasectoral goals and provide a basis for forward planning and resource allocation.

8. Educational reform is of paramount importance to the achievement of long-term economic goals. The strategy in this sector is to enable the formal education system to produce a well-rounded "graduate", equipped for eventual full absorption into a modern market-oriented economy. The Government is aware that the twin problems of meeting demands of physical infrastructure development and management of the natural environment require urgent attention in order to guide expansion of both the tourism and construction industries. In this context, there is need for the preparation of a national physical development plan which incorporates environmental protection concerns and establishes strong linkages to the national development plan.

II. EXTERNAL COOPERATION

A. Role of external cooperation priorities

9. Anguilla's efforts to finance its development are constrained by the island's narrow natural resource base, small domestic market and a local labour force of only 4,200. About 80 per cent of the Government's Public Sector Investment Programme (PSIP) for 1991-1995, estimated at $35 million, is expected to be financed by external donors through grants and concessional loans. The PSIP foresees a distribution of 60 per cent for the development of the economic infrastructure, 29 per cent for general public services, 6 per cent for social services and 5 per cent for economic services.

10. The programme focuses on road and water development projects, construction of a new post office, a prison and a national library. Financing for these projects is expected to be provided by the European Development Fund

(EDF), the Canadian International Development Agency (CIDA) and the United Kingdom, through its British Development Division (BDD) in the Caribbean and the Overseas Development Agency (ODA). Two new power sector projects will be supported by the Caribbean Development Bank (CDB). Technical assistance is also a priority for external cooperation in the areas of education, public sector management and environmental protection and the major donors are the United Kingdom, CIDA and the European Community (EC). ODA of the United Kingdom has recently completed a detailed assessment of the education system, which will serve as a basis for future technical assistance interventions in this sector.

11. With regard to the United Nations system agencies, the United Nations Educational, Scientific and Cultural Organization (UNESCO) has supported the development of teaching materials, the United Nations International Drug Control Programme (UNDCP) has assisted in preparation of a master plan for drug abuse prevention and the United Nations Population Fund (UNFPA) has supported family-life education and will support the 1992 population census. The Pan-American Health Organization and the World Health Organization (PAHO/WHO) have provided assistance in the areas of health equipment maintenance, immunization and the strengthening of acquired immune deficiency syndrome (AIDS) testing laboratories.

B. Coordination arrangements

12. All external assistance, including the technical assistance rendered through the United Nations Development Programme (UNDP), is coordinated and monitored by the office of the Director of Finance and Economic Development within the Ministry of Finance. As a constitutional dependency, Anguilla has been granted observer status in regional organizations such as the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS). The Government fully supports the role of UNDP to intensify collaboration between the island's external donors.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

13. The first country programme for Anguilla focused on following four distinct objectives:

(a) Public policy formulation enhancement of management and implementation capacities in the public sector;

(b) Tourism expansion and increased employment opportunities;

(c) Increased agricultural output and higher productivity in agriculture; and

(d) Improved delivery of social services.

14. Nearly half of the available programme resources were directed at policy formulation and improvement of public sector management and implementation capabilities. About 12 per cent of resources were directed at tourism promotion and skills courses in the related construction and hospitality trades. About 13 per cent of resources were aimed at assisting small farmers to increase agricultural output, and 10 per cent was earmarked for advisory services in social security legislation and administration, primary level curriculum development and teacher training, and physical planning.

15. In retrospect, resources were spread far too thinly and were not effectively integrated with governmental programmes and allocations. Formulation, management, implementation and monitoring of these projects proved onerous on an already overburdened Government administration. Despite these difficulties, UNDP assistance resulted in some important achievements. For the first time, Anguilla was able to publish national income statistics for 1984 to 1990. A draft development plan for 1991-1995 was prepared and important follow-up work started in restructuring the Government's Development Planning Unit and the organization of its work programme.

16. UNDP's programme of support for small farmer development has contributed to increases in agricultural output. In tourism, UNDP assisted in promoting Anguilla in North America and Europe through the production of maps, brochures and other visual materials and in the preparation of Anguillians for jobs in the hotel trade.

B. Proposals for UNDP cooperation

1. Preparatory process

17. Preparation of the second country programme for Anguilla was based on the mid-term review of the first programme, UNDP's Advisory Note and consultations with the Government in December 1991. All United Nations agencies were invited to participate in the country programming process and submitted responses outlining proposed activities for the cycle.

2. Strategy for UNDP cooperation

18. Experience gained during the first country programme has shown that numerous microlevel projects unconnected to well-formulated and designed national programmes place additional strain on a weak public sector. For the fifth cycle, UNDP support will be concentrated on improvement of the public sector's capacity for policy formulation and programme and project management and implementation.

19. Anguilla's indicative planning figure (IPF) for the 1992-1996 period amounts to $1,066,000. With $200,000 carried over from the previous cycle, the total resource availability will be $1.266 million. In addition, the multi-island IPF for the OECS for the period will be $4 million (including

carry-over). Funding will also be sought from UNDP's Special Programme Resources (SPR) and the Global Environmental Facility (GEF). Anguilla will also benefit from several regional UNDP initiatives and projects such as disaster and natural resource management and public sector reform.

3. Areas of concentration selected for UNDP cooperation

20. Following review of the Governing Council's thematic concerns, the Government has identified three programme areas in which it will seek UNDP support for the fifth cycle. These are:

(a) Improved delivery of services performed by the public sector;

(b) Effective development of the country's human resources; and

(c) Improved environmental and natural resource management.

In this context, and as an integral part of the programme design, the Government intends to address issues relating to the role of women in development and technical cooperation among developing countries (TCDC). The latter will focus on full utilization of skills and knowledge in the wider Caribbean. The Government intends to capitalize on the benefits derived from integrating its socio-economic strategies with the strategies adopted at the subregional level.

21. Reform of the public sector (26 per cent of IPF). This work will build on the public service salary review which was completed in 1989 by the Caribbean Centre for Development Administration (CARICAD) under a previous UNDP-financed intervention. As a first activity under the new country programme, a detailed analysis will be carried out by UNDP's Management Development Programme. This analysis will include the new objectives for the sector - its institutional capacities, the services to be delivered and the quality levels, and the design and costing of the necessary reforms - and will set the stage for the technical assistance interventions to be programmed later.

22. Human resources development (31 per cent of IPF). These efforts will focus on reforms in the educational sector. Based on the recent ODA sector review, the Government has developed the outline for a forward-looking human resource development strategy within which will fit transformation of the education system. Improvement of the physical infrastructure, notably the upgrading of class and resource rooms, will be financed by the ODA. Curriculum and teacher development are considered the most important elements of this reform package. Efforts will be made to establish close links with the University of the West Indies and it is hoped that, at the end of the programming cycle, the educational system in Anguilla will have achieved some degree of integration into the relevant regional educational institutions.

23. In collaboration with PAHO and UNDCP, UNDP funds will also be allocated for the purpose of incorporating drug-abuse control and AIDS awareness programmes into the school curriculum. Only four cases of AIDS have been reported for the period 1986-1991. However, the Government is conscious of the need to raise the level of public awareness and education among the population, particularly in view of its close geographical proximity to the island of St. Maarten where a higher incidence of AIDS has been reported. The Government notes the intention of UNDP, together with PAHO, to support the efforts of the Caribbean Epidemiology Centre (CAREC) to establish a regional scheme to coordinate donor projects in fighting the pandemic.

24. Environment and natural resource management (30 per cent of IPF). In this programme area, the process of design, and subsequent implementation, of the PSIP must achieve reconciliation between the conflicting goals of economic growth and conservation of natural resources. This is considered particularly important as future growth of the economy is directly dependent on maintaining the island as an exclusive tourist destination. Anguilla did not benefit from a recent United States Agency for International Development (USAID)-funded exercise which produced comprehensive environmental profiles and recommendations for actions for the countries of the Eastern Caribbean. UNDP will undertake this work during the fifth cycle. The proposed study will include a detailed natural resource inventory, an assessment of institutional capacities, quantification of present levels of environmental degradation and an estimate of the potential costs and consequences of lack of adoption of effective policies in the critical areas.

25. The findings and recommendations will form the basis for the development of a national environmental management programme, which will also take account a World Tourism Organization (WTO)-executed study on tourism and economic development which will be completed early in 1992. An important component will be preparation of a comprehensive physical development plan incorporating all land use policy issues, as well as a reform of existing legislation central to effective management of the natural environment.

C. Cooperation outside selected areas of concentration

26. Anguilla will participate in the proposed regional project for the development of small enterprises. Advisory services in the area of civil engineering will be retained under a programme assisting the Government in the management of infrastructure construction. About 10 per cent of the IPF will be utilized for these activities and 3 per cent will be reserved for unforeseen technical assistance needs.

D. Implementation and management arrangements

27. While committed to national execution, the Government will review, on a project-by-project basis, the use of the modality on the basis of a careful review of its own institutional capacities. Given the strong emphasis on strengthening the public sector management capacities, quantifiable indicators

of success in actually building national capacities are to be included in the specific projects to be formulated under the new programme.

28. Bearing in mind the basis for the new support-cost regime, efforts will be sustained to ensure that the United Nations system agencies specifically focus on sectoral and intersectoral issues on the basis of high-quality situation analyses and up-stream discussions at the policy and programme levels.

29. The programme is to be reviewed through the mechanism of the quarterly consultations between the Government, the OECS, and UNDP. These consultations additionally monitor the continuing adequacy of the complementarity between the country programme, the multi-island programme and the Caribbean regional programme.

30. A formal mid-term review will be held in 1994.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth cycle IPF	200	
Fifth cycle IPF	1 066	
Subtotal IPF		1 266
Project cost-sharing (Government)	100	
Project cost-sharing (third-party)	100	
Programme cost-sharing	-	
Subtotal cost-sharing		200
TOTAL		1 466

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	Thousands of dollars IPF	Cost-sharing	Total	Percentage of total resources
Improved public sector services	315	60	375	26
Human resource development	378	80	458	31
Environment	378	60	438	30
Subtotal	1 071	200	1 271	87
Unprogrammed reserve	195	-	195	13
TOTAL	1 266	200	1 466	100

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III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION*

	(Thousands of dollars)	
A. UNDP-administered funds		
SPR	-	
UNCDF	-	
UNSO	-	
UNIFEM	-	
UNRFNRE	-	
UNFSTD	-	
Subtotal		-
B. Other United Nations resources		
JCCP participating agencies		
UNFPA	-	
UNICEF	-	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	-	
Subtotal		-
Total non-core and other United Nations resources		-
C. Non-United Nations resources		-
TOTAL		-

* Not known at this stage.

Annex II

PROGRAMME MATRIX

	Area of focus a/					
	Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. Improved public sector management						
Assessment of institutional capacity			*		*	
Role of women	*					*
Strengthening public administration			*		*	
II. Human resource development						
Education reform			*		*	
III. Environmental protection and natural resource management						
Natural resource inventory		*			*	
Role of women and NGOs	*					*

a/ Asterisks indicate major linkage only.